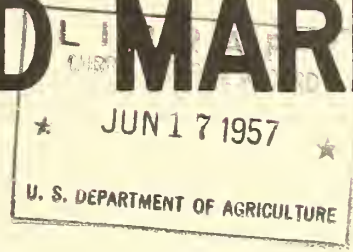


Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

esvre
.9
+2F

Foreign CROPS AND MARKETS



FOR RELEASE MONDAY, JUNE 3, 1957

VOLUME 74

NUMBER 22

CONTENTS

	PAGE
COTTON	
U.S. Exports of Cotton Linters Decline in March.....	24
U.S. Imports of Cotton Linters at Low Level.....	26
U.S. Cotton Imports Up Slightly in March.....	34
Yugoslavia's Cotton Consumption Increases.....	35
DAIRY AND POULTRY PRODUCTS	
Panama's Dry Milk Plant Continues To Expand.....	9
1957 Norwegian Dairy Situation Forecast.....	9
New Zealand To Supply New Dairy Product to U.S.....	10
U.K. Imports More Butter.....	10
Denmark Sells Butter to Soviet Union.....	14
FATS, OILSEEDS, AND OILS	
West Germany's Oilseed Output Up in 1956; U.S. Share of Imports Increases.....	6
Sierra Leone's Palm Kernels Continue As Main Agricultural Export.....	13
Indonesian Copra Exports Down in March.....	14
South Korea Looks to Increased Oil and Oilseed Imports in 1957.....	27
Australia's Flaxseed Industry Expands; Peanut Acreage Decreases.....	29
Canada's Oilseed Production and Vegetable Oil Consumption Increase.....	31
FOREIGN TRADE DEVELOPMENTS	
Colombia Forms Crop Insurance Company.....	5
Australian Agricultural Production Threatened by Drought.....	27
FRUITS, VEGETABLES, AND NUTS	
New Zealand Experiments in Apple and Pear Packaging.....	12
New Zealand Campaigning To Extend Deciduous Fruit Markets.....	12
U.S. Gains Larger Share of West German Dried Fruit and Nut Market.....	12
Iraq Abandons Date Monopoly, Central Area Company.....	13
Brazil Nut Situation in Para Worsens.....	23

(Continued on following page)

CONTENTS

(Continued from Cover Page)

	Page
GRAINS, GRAIN PRODUCTS, SEEDS, AND FEEDS	
Indonesia Increases Rice Imports.....	19
India Harvests Large Wheat and Barley Crops.....	20
Canada's July-May Wheat and Flour Exports Estimated at 268 Million Bushels.....	20
Flour Milling in Venezuela Increasing.....	22
France Expects Record Wheat Crop.....	22
Argentina Announces New Minimum Prices for Grains.....	23
Canada Increases Grain Storage Space.....	24
Chile Needs To Import Rice.....	26
LIVESTOCK AND MEAT PRODUCTS	
Argentina To Cut Exports.....	14
Argentina Expects Decrease in Livestock Slaughter.....	15
Peru's Sheepmen Plan Slaughter Plant.....	15
U.S. Share of U.K. Lard Market Drops.....	16
U.S. Sausage Casing Exports Increase in January-March.....	16
Australian Wool Sales.....	18
Switzerland Restricts Imports of French Animals.....	18
SUGAR AND TROPICAL PRODUCTS	
U.K. Sets Honey Import Quota.....	10
Latin American Honey Available for Export in 1957.....	11
TOBACCO	
Belgian Tobacco Imports Rise in 1956.....	3
Union of South Africa Increases Minimum Prices for 1957 Tobacco Crop.....	4
New Cigarette Factory in the Sudan To Begin Production October 1957	4
Brazil Revises Classifications of Unmanufactured Tobacco.....	4
Vietnam Increases Prices of Tobacco Products.....	5
Cambodian Cigarette Factories Slow Down Production.....	5

FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the Nation's agricultural interests informed of current crop and livestock developments, abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U. S.

Foreign Crops and Markets is distributed only upon a request basis. Should you find you have no need for this publication, please tear off the addressograph imprint with your name and address, pencil "drop" upon it, and send it to the Foreign Agricultural Service, Room 5918, U. S. Department of Agriculture, Washington 25, D. C.

BELGIAN TOBACCO IMPORTS
RISE IN 1956

Belgian imports of unmanufactured tobacco in 1956 totaled 50.0 million pounds, compared with 48.4 million in 1955. Imports of U. S. leaf, however, declined slightly from 20.5 million pounds in 1955 to 20.3 million in 1956.

TOBACCO, UNMANUFACTURED: Belgium, imports by
country of origin, 1954-56

Country of origin	1954	1955	1956 ^{1/}
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United States.....	20,313	20,490	20,320
Turkey.....	4,264	2,978	2,321
Greece.....	655	1,534	1,839
Bulgaria.....	57	701	974
India.....	2,705	2,939	2,937
Italy.....	741	1,213	1,153
Fed. of Rhodesia and Nyasaland.....	1,144	1,453	2,621
Philippine Republic.....	1,122	1,014	1,248
Dominican Republic.....	3,563	3,565	3,704
Brazil.....	3,677	3,362	3,580
Paraguay.....	1,847	1,737	1,856
Indonesia.....	2,901	2,707	1,887
Others.....	4,059	4,665	5,585
Total.....	47,048	48,358	50,025

^{1/} Preliminary.

Imports from the oriental tobacco producing countries of Turkey, Greece, and Bulgaria were about the same as in 1955. Leaf imports from the producers of dark tobacco--the Philippine Republic, Dominican Republic, Brazil, and Paraguay--all increased slightly in 1956. Imports of Rhodesian leaf increased sharply in 1956; they were 2.6 million pounds in contrast to 1.5 in 1955, but imports of Indonesian tobacco declined from 2.7 million pounds in 1955 to 1.9 in 1956.

Representatives of the Belgian tobacco manufacturing industry have stated that the market for U. S. Burley is definitely lost in Belgium but there is still a market preference for flue-cured with good flavor and aroma. The decline in imports of U.S. leaf is said to be due to higher prices for the tobaccos used in Belgium, and it is believed this trend will continue unless lower priced U. S. leaf becomes available. The severe price freeze on the retail price of tobacco products does not allow manufacturers to pass on increased costs to consumers. Manufacturers must therefore use more of the less costly leaf purchased in other countries to offset higher U. S. prices.

UNION OF SOUTH AFRICA INCREASED MINIMUM PRICES FOR 1957 TOBACCO CROP

The Tobacco Control Board of the Union of South Africa has raised the minimum price for all types of domestic tobacco harvested in 1957. Increases range from the equivalent of 1.2 U. S. cents per pound for the cigarette grades of Burley to 4.1 cents for the other light air-cured, in each grade. The heavy grades of dark air-cured tobaccos and the pipe grades of Burley have been increased 2.6 cents per pound over 1956 prices. Minimum prices for all flue-cured leaf were increased an average of 2.3 cents over the grade series. There is however, a substantial price difference between the two varieties--Amarello and Orinoco. Since 1952, a premium has been paid to encourage the production of the Orinoco variety, which produces more desirable cigarette tobacco. In 1956, Orinoco tobacco sold averaged 54.7 U.S. cents per pound, compared with the equivalent of 31.2 U. S. cents per pound for Amarello. Apparently the same type of differentials, at least in regard to price increases, will be used in 1957 to encourage the production of large quantities of suitable dark pipe tobaccos.

NEW CIGARETTE FACTORY IN THE SUDAN TO BEGIN PRODUCTION OCTOBER 1957

A new tobacco factory, operated by an affiliate of a British tobacco firm, is scheduled to start production in the Sudan by October 1957. Its eventual capacity will be 50 million cigarettes per month. Establishment of the factory has been encouraged by concessions of the Sudanese Government in its program to expand domestic industry.

The company operating the new factory plans to produce an inexpensive cigarette to sell at the equivalent of 14.4 U. S. cents per pack of 20, whereas imported cigarettes sell at about 46.0 U. S. cents per pack. The company also plans to operate tobacco plantations in the Sudan to grow the tobacco used in manufacture. However, as the local supply is insufficient at present it will be permitted to import tobacco for manufacture.

BRAZIL REVISES CLASSIFICATIONS OF UNMANUFACTURED TOBACCO

Tobacco classification regulations for leaf produced in Rio Grande do Sul Province, Brazil, have recently been revised to add an "extra," or superior, grade and to set more specific grade standards. These comprehensive regulations classify the various types of tobacco produced into uniform grades with specific standards for color, texture, damage, etc. Sales and transportation of tobacco are prohibited until the leaf has been graded and checked by representatives of the "Directory of Commerce and Industry."

VIETNAM INCREASES PRICES OF TOBACCO PRODUCTS

Retail prices of tobacco products in Vietnam were reportedly raised following the imposition of new import duties on leaf tobacco. Retail prices of cigarettes were increased about 50 percent. Prices of tobacco products are established through negotiation between the manufacturers and a government regulatory body.

In 1956, Vietnam imported over 80 percent of its total leaf imports, in terms of value, from the United States. The remainder was obtained from the franc area and consisted of types not available from the United States. Tobacco imports in 1956 were financed partially through payments in dollars and partially by switch transactions.

CAMBODIAN CIGARETTE FACTORIES SLOW DOWN PRODUCTION

Two of the 3 Cambodian cigarette factories are operating only 3 days a week, according to a recent ICA (International Cooperation Administration) report. Curtailment in production is due to shortages of imported leaf tobacco, paper, and packaging materials caused by the low level of imports authorized during 1956. Current leaf stocks plus expected imports authorized in March 1957 will permit production to continue only at the present level, which is insufficient to meet consumer demand.

COLOMBIA FORMS CROP INSURANCE COMPANY

The Colombian Council of Ministers has approved establishment of a Crop Insurance Company, an agency which has been needed for some time. Participants include the "Sendas" Insurance Company (National Secretary of Social Assistance and Infantile Protection), the Agricultural Bank and the Instituto Nacional de Abastecimientos (INA, which stands for National Institute of Agricultural Products Distribution).

The company will have a capital of 3 million pesos (\$1.2 million at the official rate) and will begin operation by June. Its main function will be to insure crops against loss from weather and other hazards. All crops which are insured will have to be registered in advance.

WEST GERMANY'S OILSEED OUTPUT UP in 1956; U. S. SHARE OF IMPORTS INCREASES

West Germany is one of the world's largest net importers of fats, oils, and oilseeds. Domestic oilseed production, therefore, is of small consequence. Nevertheless, in 1956 its output was over two-thirds larger than in 1955 and twice as large as in 1954. Rapeseed output, which represented over 90 percent of the oilseeds produced, was up 85 percent from 1955 because of larger acreage--due to a guaranteed price--and favorable winter weather. Poppyseed production was up slightly in 1956 from 1955, but flaxseed production declined over 20 percent.

Table 1.--OILSEEDS: Federal Republic of Germany, acreage, yield and production, 1955 and 1956

	Acreage		Yield per acre		Production	
	1955	1956 <u>1/</u>	1955	1956 <u>1/</u>	1955	1956 <u>1/</u>
	Acres		Pounds		Short tons	
Rapeseed	29,600	44,300	1,415	1,770	23,100	42,900
Poppyseed.....	1,700	1,700	1,060	1,090	900	950
Flaxseed.....	8,200	6,600	<u>2/</u> 590	<u>2/</u> 570	<u>3/2</u> ,400	<u>3/1</u> ,900
Total.....	39,500	52,600	---	---	26,400	45,750
<u>1/</u> Preliminary. <u>2/</u> Converted to bushels: 1955--10.7; 1956--10.2 <u>3/</u> Con-						
verted to bushels: 1955--85,700; 1956--67,800.						

Compiled from official sources.

Imports of oil-bearing material into the Federal Republic and West Berlin amounted to 1,216,000 short tons in 1956. This was 12 percent more than the previous year, but imports of vegetable oils--441,000 tons--showed a drop of almost 6 percent.

As a result of rising consumer demand for high quality margarine, smaller quantities of marine oils are being used in the margarine industry. About 168,000 tons of whale and fish oils were imported in 1956, compared with 174,000 tons in 1955.

Hamburg importers reported stocks of oils and oilseeds that totaled about 186,000 tons of crude oil equivalent at the beginning of 1957, 24,000 tons less than the 1956 carryin. Contracts for future delivery reportedly totaled 425,000 tons of crude oil equivalent.

West German per capita consumption of edible fats and oils was 55.8 pounds in 1956, an increase of 9.5 pounds over prewar consumption.

Table 2.--OIL BEARING MATERIAL AND OILS: Federal Republic of Germany, imports 1955 and 1956

Oil-bearing materials	1955	1956 ^{1/}	Oil	1955	1956 ^{1/}
	Short tons	Short tons		Short tons	Short tons
Edible:			Edible:		
Peanuts	18,317	44,316	Peanut	73,941	28,563
Shelled... ..	13,597	16,593	Soybean	22,508	35,690
Unshelled	505,330	583,698	Cottonseed	86,674	106,849
Soybeans ^{2/}	9,173	7,297	Rapeseed	6,240	6,937
Rapeseed... ..	57,559	52,338	Olive	1,490	1,649
Cottonseed	7	295	Sunflower seed...	9,224	3,748
Sesame seed	25,294	25,436			
Sunflower seed...	7,153	7,327			
Mustard seed			Palm:		
			Palm	79,174	74,155
Palm:			Palm kernel	11,173	12,108
Copra	287,245	329,010	Coconut	56,738	59,262
Palm kernels	128,393	115,360			
			Industrial:		
Industrial:			Linseed	93,515	96,047
Flaxseed ^{3/}	5,381	7,349	Castor	1,470	2,036
Other oilseeds	25,374	26,852	Tung	5,084	4,938
			Others	20,240	9,161
Total	1,082,823	1,215,871	Total	467,471	441,143

^{1/} Preliminary. ^{2/} Converted to bushels: 1955--16.8 million; 1956--19.5 million.
^{3/} Converted to bushels: 1955--179,360 bushels; 1956--244,790 bushels.

Compiled from official sources.

Due to the Indian export embargo West German imports in 1956 shifted from peanut oil to soybeans, and to soybean and cottonseed oils.

As a result, West German imports from the United States increased substantially in 1956: Soybean imports were up 17 percent, cottonseed oil 53 percent, and linseed oil 51 percent. Overall, the United States supplied nearly 40 percent of vegetable oils, oilseeds, and marine oils imported into the Federal Republic in 1956.

(Continued on following page)

Table 3.--OILSEEDS AND OILS: Federal Republic of Germany, total imports and imports from the United States of certain oilseeds and oils 1955 and 1956

Item	1955			1956 1/		
	Total	Imports	U. S.	Total	Imports	U. S.
	imports	from U. S.	Share	imports	from U.S.	Share
	Short	Short		Short	Short	
	tons	tons	Percent	tons	tons	Percent
Oilseeds:						
Soybean 2/.....	505,330	383,334	76	583,698	448,849	84
Flaxseed 3/.....	5,381	608	11	7,349	1,853	25
Edible oils:						
Cottonseed.....	86,674	51,760	60	106,849	104,187	98
Soybean.....	22,508	866	4	35,690	4,605	13
Industrial oils:						
Linseed.....	93,515	33,509	36	96,047	50,729	52

1/ Preliminary. 2/ Converted to bushels: 1955--16.8 million and 12.8 million; 1956--19.5 million and 15.0 million. 3/ Converted to bushels: 1955--179,360 and 20,260; 1956--244,970 and 61,770.

Compiled from official sources.

The Federal Republic of Germany appears to have replaced the United States as the world's largest producer of margarine. German production has been larger in 3 of the last 5 years.

Table 4.--MARGARINE: Federal Republic of Germany, production, annual 1952-56

Year	Production
	Short tons
1952.....	583,900
1953.....	657,400
1954.....	678,500
1955.....	704,600
1956 1/.....	733,800

1/ Preliminary.

Compiled from official sources.

West German sales of margarine, table oil, and shortening increased in 1956.

Table 5.--MARGARINE, TABLE OIL, AND SHORTENING: Federal Republic of Germany, sales, 1955 and 1956

Item	1955	1956
	1,000 short tons	
Margarine.....	713.0	736.9
Table oil.....	137.3	151.0
Shortening.....	56.5	60.9

PANAMA'S DRY MILK PLANT CONTINUES TO EXPAND

Panama's powdered milk plant, which started operations about 18 months ago in Chiriqui Province, is continuing to expand. Present daily intake is reported at 22,700 pounds, double that reported a year ago. (See Foreign Crops and Markets, April 23, 1956.) The number of dairy farmers supplying the factory has increased from 90 to 175. Present output of dry whole milk is 3,000 pounds per day. Production of nonfat dry milk was started recently.

1957 NORWEGIAN DAIRY SITUATION FORECAST

In spite of the continuing downward trend in Norwegian cow numbers, total 1957 milk production is forecast at 3,799 million pounds, or about 1 percent over 1956. Extensive use of feed concentrates and improved breeding practices are expected to raise average production per cow from 5,798 pounds in 1956 to 5,950 pounds this year, accounting for the forecast increase in milk production.

The increase will largely be utilized in the manufacture of butter, since fluid milk consumption is expected to remain stable, and 1957 factory cheese production is forecast at 3 percent under the 72 million pounds produced in 1956. Factory butter output in 1957 is forecast at 31.4 million pounds, 14 percent over last year.

If production and consumption forecasts prove accurate, Norway will have 13.2 million pounds of butter available for export in 1957; 1956 butter exports totaled 9.4 million pounds. Cheese stocks are heavier than usual, and it is estimated that 16.1 million pounds of cheese will be available for export in 1957, compared to the 8.2 million pounds exported last year.

NEW ZEALAND TO SUPPLY NEW DAIRY PRODUCT TO U. S.

The Chairman of the New Zealand Dairy Products Marketing Commission recently announced that New Zealand is to supply a United States firm with a comparatively new product, lactalbumen. This is a semi-pharmaceutical food processed from casein or cheese whey, and is almost 100 percent protein. When final arrangements are completed, New Zealand will supply the U. S. company with 300 to 500 long tons of lactalbumen annually for 3 years.

U.K. IMPORTS MORE BUTTER

British imports of butter in the first quarter of 1957 at 263.1 million pounds were 25.5 million pounds above the comparable quarter of 1956. Shipments from New Zealand continued heavier than those from other supplying countries, amounting to 120.0 million pounds, or 45.6 percent of total imports in this period. In the corresponding quarter of 1956, New Zealand shipped 130.6 million pounds, or 55 percent of all butter imported into the United Kingdom the first quarter.

Australia supplied 60 million pounds, Denmark 42 million pounds, and Argentina 15 million pounds in the first 3 months of 1957. Finland, which shipped no butter to the United Kingdom in the opening quarter of 1956, supplied 10 million pounds this year. Other countries making shipments in this period were the Netherlands (8 million pounds), Ireland, and Sweden (4 million pounds each).

British imports of cheese dropped to 86 million pounds in first quarter of 1957, from 93 million pounds in the same quarter of 1956. New Zealand's share amounted to approximately 58 million pounds, or 66.8 percent--a decline from last year when shipments (67 million pounds) were 72 percent of total first quarter imports. Australia supplied 16 million pounds, Denmark 5 million pounds, the Netherlands 3 million pounds. Small quantities from Italy, France, Switzerland, and Canada made up the balance.

U.K. SETS HONEY IMPORT QUOTA

The United Kingdom Board of Trade has decided to establish an import quota for honey from all dollar account countries except Cuba, with which separate arrangements have been made. The quota will amount to £ 40,000 (U.S. \$112,000) f.o.b. for the year beginning July 1, 1957.

LATIN AMERICAN HONEY AVAILABLE
FOR EXPORT IN 1957

Certain Latin American countries are reported to have specified amounts of honey available for export this year. The following table lists the available honey by type, amount, and price.

HONEY: Available for export, specified countries, type, price, 1957

Country	Type	Available for export	Price	
			Rate of exchange	Cents per pound
		Short tons		
Argentina.....	Light Amber	7,716	Gov.-pegged	18.6
			Actual	11.6
			Par	16.39
Chile.....	Light Dark	4,409		
	Light Amber			9.4
	Dark			7.85
Cuba.....	All types	992		
	Light Amber			
	(Approx.)	694		1 1/2/ 10.9
	Extra Light			
	Amber			
	(Approx.)	198		
	White			
	(Approx.)	50		11.6-11.8
	Dark			
	(Approx.)	50		10.43-10.55
Guatemala.....	Light Amber	1,200		12.5
Jamaica.....	White Dark	59		16.07
Mexico.....	Light Amber	4,409		10.43-10.89
	Dark) 6,614		9.5-9.93
	Guadalajara)		11.1-11.34
	(Medium dark))		

1/ f.a.s.

2/ In early November 1956, price was about 12.7 cents per pound. However, informed sources report competition from Mexico caused the price to drop to present levels.

NEW ZEALAND EXPERIMENTS IN APPLE AND PEAR PACKAGING

New Zealand fruit trade is actively interested in improved packaging for apples and pears and has made several experimental shipments to test different types and methods.

Successful experiments have been made with polyethylene box liners, and the use of this method of packing will be extended. To date, polyethylene has been used only on shipments to the United Kingdom. Fiber and plastic trays have been used in shipments to Canada, but the results of these tests have not yet been announced.

NEW ZEALAND CAMPAIGNING TO EXTEND DECIDUOUS FRUIT MARKETS

The New Zealand Fruit Marketing Board is attempting to expand export markets for apples and pears. The United Kingdom remains the main market for New Zealand fruit. But West Germany, with grade and variety requirements generally the same as the United Kingdom, has become one of the chief outlets. The French market is desirable, as large fruit, which cannot be moved readily in the United Kingdom or West Germany, meets a good demand in France.

Resumption of exports to Sweden and the Netherlands, which were New Zealand customers before the war, is a major objective. The Netherlands is particularly important since it re-exports apples to Belgium and Switzerland.

No shipments are being made this year to New York because of high landing charges. However, supplies continue to move to Canada, the Caribbean area, and Panama.

U.S. GAINS LARGER SHARE OF WEST GERMAN DRIED FRUIT AND NUT MARKET

Liberalization in 1956 of West German import restrictions against dollar countries' dried fruits and nuts, combined with short Mediterranean crops, increased the United States' share of the West German market from 4 to 11 percent. Raisins were the exception to this liberalization action.

Between 1955 and 1956, imports of dried prunes from the United States increased over threefold to 6,376 short tons, as Yugoslavia suffered a short crop. Largely because of the short 1956 Mediterranean almond crop, the United States became the principal almond supplier to West Germany accounting for more than 30 percent of nearly 8,000 tons imported. Dried apple and pear imports during this period more than doubled to reach 1,500 short tons.

IRAQ ABANDONS DATE MONOPOLY; CENTRAL AREA COMPANY

Freer competition in the sale of Zahedi dates in Iraq is now possible due to a recent decision of the Iraqi Minister of Economics to abandon the government monopoly known as the Central Area Company.

The Iraq Date Association, however, will continue to regulate all prices to growers and allocate foreign markets. The Basra area date monopoly is unaffected by the action of the Ministry of Economics.

SIERRA LEONE'S PALM KERNELS CONTINUE AS MAIN AGRICULTURAL EXPORT

Sierra Leone, British West Africa, exported 64,562 short tons of palm kernels in 1956. This was equal to the tonnage shipped in 1955. The f.o.b. export value of palm kernels in 1956 was 4 times that of coffee and 5 times that of cacao. It is expected that palm kernels will continue to be the main agricultural export for the next few years.

The United Kingdom is the principal buyer of Sierra Leone's palm kernels, taking over 95 percent of the total exports in 1955 and 70 percent of the 1956 shipments.

PALM KERNELS: Exports, Sierra Leone, 1955-56

Country	1955	1956 <u>1/</u>
	Short tons	Short tons
United Kingdom.....	62,298	45,286
Belgium.....	---	1,705
West Germany.....	---	6,221
Netherlands.....	2,259	9,648
Others.....	---	1,702
Total.....	64,557	64,562

1/ Preliminary.

Palm oil exports are of no consequence. In 1956 they totaled only 15 short tons and in 1955 but 17.

At the Oil Palm Produce Sub-station of the Nigerian Regional Station, at Njala in Sierra Leone, efforts are being made to improve quality and expand exports of oil palm produce. Palm kernel exports may increase, but palm oil exports will probably remain small because of the shortage of domestic food and the greater labor opportunities offered in the diamond mines.

INDONESIAN COPRA EXPORTS DOWN IN MARCH

Indonesian copra exports in March, preliminarily estimated at 22,794 long tons gross weight were down one-fourth from February but were more than twice those of March 1956.

Cumulative shipments of copra during January-March totaled 73,287 long tons, an increase of 180 percent from the first 3 months of 1956.

Palm kernel exports in March totaled 2,118 short tons, and exports of palm oil 798 short tons.

Exports of copra cake from Indonesia in March were 8,956 long tons.

DENMARK SELLS BUTTER TO SOVIET UNION

Import authorities of the Soviet Union and Danish exporters have recently concluded a contract for the sale of 5.5 million pounds of Danish unsalted, refrigerated butter. The expected dates of shipment are during May and June. Although the price has not officially been announced, informed sources indicate that the Soviets are paying slightly more than the United Kingdom price for Danish butter (presently 32.8 cents per pound f.o.b.)

This is the first sale of Danish butter to the Soviet Union since 1954; in that year the Danes exported 22.8 million pounds to the U.S.S.R. The present sale will remove all cold storage stocks accumulated in Denmark during March and April, a period of unusually low prices, and will place the Danes in a firmer marketing position during the coming months.

ARGENTINA TO CUT MEAT EXPORTS

Argentina will reduce meat export authorizations from the present level of 11.5 million pounds a week to about 7.8 million pounds a week during the period July 1-August 17. This action is taken to adjust Argentine exports to the seasonal pattern of domestic meat production in the United Kingdom.

Beef production in the United Kingdom rises in the summer and usually reaches a peak in October. Cattle slaughter declines significantly in the winter and spring. The demand for imported beef, therefore, is strongest during the first half of the year.

ARGENTINA EXPECTS DECREASE IN LIVESTOCK SLAUGHTER

Both cattle and sheep slaughter may decline moderately in Argentina this year but a rise in hog slaughter is expected.

Cattle slaughter, which reached a record of 11.7 million head in 1956, is expected to decline moderately in 1957. However, the kill may still be the second highest in Argentine history. Although cattle numbers are high in Argentina, slaughter of canner cattle was depressed during the first quarter due to the removal of subsidies.

Good wool prices have encouraged producers to build up flocks by reducing slaughter of sheep and lambs. Slaughter has been declining since 1954. A further moderate drop during 1957 is anticipated.

The recent increased support level on corn has made hog production less profitable. As a consequence, slaughter will probably increase in 1957, and there will be a reduction in the number of hogs on farms.

LIVESTOCK SLAUGHTER: Argentina 1953-56

Year	Cattle			Sheep			Hogs	
	1,000	Percent		1,000	Percent		1,000	Percent
	head	change 1/		head	change 1/		head	change 1/
1953.....	7,896	-10		10,169	+2		1,991	+16
1954.....	8,133	+3		11,106	+9		2,025	+2
1955.....	10,003	+23		10,573	-5		2,013	-1
1956.....	11,700	+17		10,200	-4		2,400	+19
1/ Percent change from previous year.								

Source: Argentine National Meat Board.

PERU'S SHEEPMEN PLAN SLAUGHTER PLANT

The Wool Growers Association of Arequipa, Peru, is studying the feasibility of building a slaughterhouse in that city. It is envisaged that the plant will handle both sheep and cattle. It would ship frozen meat to Lima and other population centers.

The association (Asociacion de Criadores de Lanares) is interested in hiring an expert to make a study of the proposed project. Inquiries concerning the development should be addressed to the association at Arequipa.

U.S. SHARE OF U.K. LARD MARKET DROPS

Lard imports by the United Kingdom from all sources during the first 3 months of 1957 totaled 61.6 million pounds, compared with 62.7 million for the corresponding period in 1956. Due to strong price competition from European suppliers, the United States' share of this trade was reduced from 90.4 percent for January-March 1956 to 63.7 percent for the same period in 1957.

LARD: United Kingdom, imports by country of origin
January-March 1956 and 1957

Exporting country	1956		1957	
	Quantity	Percent total	Quantity	Percent
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Denmark.....	1,675	2.7	4,806	7.8
Netherlands.....	2,607	4.2	3,425	5.6
Belgium.....	1,497	2.4	6,476	10.5
France.....	96	.1	5,492	8.9
United States....	56,709	90.4	39,221	63.7
Argentina.....	---	---	1,962	3.2
Others.....	140	.2	220	.3
Total.....	62,724	100.0	61,602	100.0

U.S. SAUSAGE CASING EXPORTS INCREASE IN JANUARY-MARCH

United States' exports of hog casings during January-March 1957 totaled approximately 1.9 million pounds; exports were 1.8 million during the corresponding period in 1956.

Over the 3-month period practically all major markets for United States hog casings increased their trade. Spain and New Zealand were exceptions, as their imports from the U.S. were down slightly. The principal reason for the overall gain was the very substantial increase in exports to West Germany, which were up from 107,000 pounds in January-March 1956 to 246,000 pounds for the same period in 1957. The United Kingdom, with imports of 814,000 for the 3-month period, continued to hold its position as the leading market.

SAUSAGE CASINGS, NATURAL: U.S. exports, by country of destination,
annual 1955-56, and January-March 1956-57

Country of destination	Annual		January - March		
	1955	1956	1956	1957	1957
					Increase or decrease (-)
	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds
Hog casings:					
Canada	76	124	10	39	29
Cuba	3	---	---	30	30
United Kingdom	3,399	3,125	812	814	2
Netherlands	702	417	127	133	6
Belgium	903	602	108	145	37
Germany, Western	1,172	958	107	246	139
Switzerland	216	275	74	116	42
Spain	483	572	89	57	-32
Union of So. Africa	377	346	71	73	2
Australia	---	208	-	39	39
New Zealand	579	610	171	164	-7
Other	56	102	147	13	-134
Total	7,966	7,339	1,716	1,869	153
Other animal casings: 1/					
Canada	291	266	87	69	-18
Cuba	212	138	42	34	- 8
Sweden	48	87	1	11	10
Norway	853	919	84	164	80
Denmark	196	48	10	4	-6
United Kingdom	334	186	32	36	4
Netherlands	1,829	1,586	375	198	-177
Belgium	815	528	62	106	44
Germany, West	2,928	2,769	444	708	264
Switzerland	1,733	1,783	344	412	68
Spain	1,663	2,468	168	228	60
Other	165	103	208	22	-186
Total	11,067	10,881	1,857	1,992	135

1/ Casings not elsewhere classified, mainly beef.

Source: Bureau of the Census.

Exports from the United States of all other types of animal casings (principally beef) also increased during the first quarter of 1957, despite a reduction in trade with the Netherlands, Canada, Cuba, and Denmark. Increased trade with West Germany, Norway, Switzerland, and Spain more than compensated for the decline in exports to the other markets.

AUSTRALIAN WOOL SALES

Wool auctions were held during the week ending May 17, 1957 at Newcastle, Goulburn, and Melbourne, Australia. Approximately 30,000 8,000 and 50,000 bales were offered for sale in each center, respectively. Prices of combing wools were fully firm at seasons peak levels, but values for carding wools were 4 to 6 percent lower than a week earlier.

WOOL, RAW: Australia, average costs per pound on auction floors, clean basis, by quality classification, specified weeks

Type and grade	Week ended		
	5/18/56	5/10/57	5/17/57
	U.S. dollars	U.S. dollars	U.S. dollars
Combing wools:			
70's Good.....	1.44	1.73	1.74
Average.....	1.37	1.68	1.69
64's Good.....	1.29	1.63	1.64
Average.....	1.26	1.60	1.60
60's Good.....	1.13	1.54	1.54
Average.. ..	1.09	1.49	1.49
58's Good.....	1.01	1.43	1.43
Average.....	.98	1.36	1.36
56's Good.....	.91	1.30	1.30
Average.....	.88	1.26	1.26
50's Good.....	.81	1.15	1.15
Average.....	.79	1.12	1.12
Carding wools:			
Merino.....	.86	.97	.93
Comeback.....	.77	.88	.84
Fine Crossbred.....	.72	.83	.79
Medium Crossbred.....	.69	.82	.77

Source: Wool Statistical Service, Australian Wool Bureau

SWITZERLAND RESTRICTS IMPORTS OF FRENCH ANIMALS

In view of the serious outbreak of foot-and-mouth disease in France, Switzerland has prohibited local transborder trade in livestock and certain other agricultural commodities. There is usually considerable local trade in farm products across the irregular border between France and Switzerland. Commercial imports of French livestock for slaughter in Swiss cities are not included under the new rule, as such trade is subject to strict federal control.

INDONESIA INCREASES RICE IMPORTS

Rice import requirements of Indonesia in 1957 are currently estimated at around 800,000 metric tons, the largest on record. This is a minimum volume based on current prospects for the 1957 rice harvest.

Need for rice imports in Indonesia continues to increase every year as the population figures rise. Rice imports in 1956 amounted to 763,000 metric tons. Despite this increase in imports, rice stocks at the end of 1956 were only 25,000 metric tons greater than 12 months before.

RICE: Indonesian imports, by country of origin, average 1935-39, annual 1952-56

Country of origin	Average 1935-39	1952	1953	1954	1955	1956 <u>1/</u>
	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
Burma.....	114,058	188,591	212,534	156,787	87,104	307,545
Thailand.....	113,242	229,091	54,955	54,028	38,516	155,676
Indochina.....	36,360	69,324	39,716	47,939	570	1,130
Pakistan.....	---	0	0	---	315	1,571
Taiwan.....	2/	18,037	0	---	---	---
Brazil.....	2/	155,804	0	---	---	53,160
Other South America.....	2/	6,351	8,831	---	---	---
Italy.....	2/	29,273	2,415	---	---	104,092
Spain.....	0	9,842	0	---	---	---
Portugal.....	0	18,178	0	---	---	---
United States.....	2/	39,947	50,682	---	---	139,503
Other countries.....	18,771	1,370	2,367	8	227	498
Total.....	282,431	765,808	371,500	258,762	126,732	763,175
<u>1/</u> Preliminary. <u>2/</u> If any, included in "other countries."						

Compiled from official sources.

Burma and Thailand historically have been the principal sources for rice imports into Indonesia. These countries in 1956 continued to be the major sources. Record rice imports from Burma were 45 percent above the previous largest quantity, and imports from Thailand were the greatest since 1952. Imports of rice from the United States and Italy were also considerably above previous years. Large rice imports were received from Brazil for the first time in 4 years.

INDIA HARVESTS LARGE WHEAT AND BARLEY CROPS

Near-record outturns are reported from India's recently completed harvest of wheat and barley. The wheat crop as tentatively estimated at 321 million bushels has been exceeded only in 1954 when a crop of 328 million bushels was reported.

Wheat acreage for the current crop is estimated at 31 million acres, an all-time record. Present estimates of yields per acre are below the average of recent years, largely because of adverse weather conditions in the principle producing areas during the latter part of the growing season. Prior to the late season damage, a record harvest had been expected.

The barley crop is estimated at about 130 million bushels, compared with 127 million a year ago and the record crop of about 135 million in 1954. Acreage for the current crop is estimated at 8.3 million acres, at the same level as during the past 2 seasons but 5 percent less than the 1954 acreage of 8.7 million acres.

Consumption of food grains continues to expand to meet the needs of the rapidly growing population. Increased purchasing power is reportedly also contributing to greater use, bringing present consumption to record levels. Imports of wheat during the first quarter of 1957 totaled about 22 million bushels, of which about 75 percent was from the United States.

CANADA'S JULY-MAY WHEAT AND FLOUR EXPORTS ESTIMATED AT 268 MILLION BUSHEL

Canada's wheat and flour exports during July-May 1956-57 are estimated at about 268 million bushels, compared with 247 million during the same period last season. The estimated total for the 11 months of this year includes customs returns for July-March and export clearances for April and the first 2 and a half weeks in May. At this date it seems that the total exports for July-June 1956-57 may be slightly more than the 288 million bushels exported during July-June 1955-56.

The official customs returns showing destinations are available only through March. As usual, the bulk of these exports went to Europe, with more than 80 percent going to the United Kingdom, West Germany, Belgium-Luxembourg, and the Netherlands. Other countries outside of Europe taking 5 million bushels or more were Japan, the United States, and the Philippine Republic.

Wheat and Flour: Canada, exports by country of destination
July-March 1955-56 and 1956-57

Destination	July-March 1955-56			July-March 1956-57		
	Wheat	Flour	Total	Wheat	Flour	Total
	(Thousand bushels, grain equivalent)					
Western Hemisphere:						
United States	5,458	594	6,052	5,287	1,145	6,432
Central America	58	1,434	1,492	97	1,048	1,145
British West Indies	24	3,935	3,959	15	3,826	3,841
Cuba	228	450	678	1	271	272
Colombia	-	193	193	-	97	97
Venezuela	61	2,855	2,916	61	2,505	2,566
Ecuador	1,093	-	1,093	347	-	347
Peru	209	39	248	2,489	17	2,506
Others	2	1,188	1,190	1	1,123	1,124
Total	7,133	10,688	17,821	8,298	10,032	18,330
Europe:						
Norway	2,599	-	2,599	4,102	-	4,102
United Kingdom	64,823	8,038	72,861	68,229	9,041	77,270
Ireland	2,208	-	2,208	3,169	-	3,169
Netherlands	5,968	1/	5,968	9,599	6	9,605
Belgium-Luxembourg	9,004	226	9,230	12,240	408	12,648
France	410	1	411	1,471	-	1,471
West Germany	15,929	207	16,136	35,825	1/	35,825
Austria	1,739	-	1,739	753	-	753
Czechoslovakia	-	-	-	4,371	-	4,371
Switzerland	3,577	-	3,577	7,297	1/	7,297
Poland	7,481	-	7,481	2,599	-	2,599
Russia	-	-	-	4,127	-	4,127
Italy	3,701	186	3,887	2,947	3	2,950
Others	1,900	207	2,107	1,963	195	2,158
Total	119,339	8,865	128,204	158,692	9,653	168,345
Asia:						
Israel	724	-	724	1,685	-	1,685
Pakistan	-	-	-	1,008	1/	1,008
Philippines	-	4,134	4,134	-	4,744	4,744
Japan	19,980	511	20,491	24,166	676	24,842
Others	1,191	1,472	2,663	850	1,542	2,392
Total	21,895	6,117	28,012	27,709	6,962	34,671
Africa:						
British West Africa	-	956	956	-	1,090	1,090
Union of South Africa	3,495	-	3,495	1,002	-	1,002
Others	462	714	1,176	252	398	650
Total	3,957	1,670	5,627	1,254	1,488	2,742
Oceania	-	73	73	-	45	45
World Total	152,324	27,413	179,737	195,953	28,180	224,133

1/ Less than 500 bushels.

FLOUR MILLING IN VENEZUELA INCREASING

With additional flour mills under construction in Venezuela, it is expected that by the end of 1957 that country's mills will be producing 40 percent of its wheat flour requirements. In fact, by the end of next year Venezuela may be self-sufficient in wheat flour, according to an announcement by Dr. Antonia Briceno Parilli, Director of Commerce in the Ministry of Development.

Two flour mills are now under construction. One is being built by a United States miller at Puerto Cabello, and the other by Italian interests at Catia del Mar (on the coast near LaGuaira). Additional mills are in the study stage. Bunge and Born, who are operating the small mill in Caracas, plan to build a wharf at Catia del Mar where their bulk storage tanks will be built. An expected result of these developments is that wheat flour will be cheaper in Venezuela.

The increase in flour milling capacity reflects the trend toward expansion of Venezuela's processing industries. Following this trend, a U.S. manufacturer may construct a feed mill near the Puerto Cabello flour mill, and probably an oats mill, even though the markets for manufactured feeds in Venezuela are not especially promising.

FRANCE EXPECTS RECORD WHEAT CROP

France's 1957 wheat production is expected to set a record. Current trade forecasts indicate a crop of more than 400 million bushels. This contrasts with the very small harvest of about 240 million bushels last year and the 1945-49 average of the same level.

The current crop came through an unusually mild winter in good condition with little winterkill reported. Recent estimates place the acreage for harvest at about 11.2 million acres, compared with less than 7 million harvested last year when heavy winterkill reduced the outturn to the lowest level of the past decade.

As a result of the favorable outlook for the coming harvest, farmers have recently been delivering as much as possible of their holdings of wheat, in order to take advantage of premiums paid on deliveries up to May 16. If the crop proves to be as large as expected, France can be expected to return to a place among the ranking wheat exporters.

This would reverse the situation in the 1956-57 marketing year. In that period France's wheat imports were estimated at more than 40 million bushels, of which about 80 percent came from the United States. This was mainly soft wheat, French North Africa having supplied the bulk of the country's import requirements for hard wheat. Exports for the season are placed at about 22 million bushels. Exports during the 1955-56 season were about 99 million bushels. Present prospects indicate that stocks could be restored to a reasonable level and that exports of 75 to 110 million bushels would still be possible.

ARGENTINA ANNOUNCES NEW MINIMUM PRICES FOR GRAINS

The Argentine Minister of Agriculture has announced the new minimum prices for various agricultural crops. The new prices, compared with those in effect at the start of the 1955-56, season are:

	<u>1956-57</u> <u>\$ per bu.</u>	<u>1955-56</u> <u>\$ per bu.</u>
Wheat: Semihard, Grade No. 2	\$ 1.21)	
" : Candeal or Taganrog, Grade No. 2,	1.36)	\$1.06
Oats : Yellow, Grade No. 2	.48)	
" : White, " : 2	.50)	.44
Barley: Malting, Grade No. 2	.73)	
" : Forage, " " 2	.67)	.66½
Rye : Grade No. 2	.85	.71
Maize: Yellow and/or red, hard or flint and dented, sound and dry	1.41	.92

The above prices represent an increase over last year's minimum prices for all grains. In announcing these increases Dr. Alberto Mercier, Minister of Agriculture, stated that he hoped they would help increase acreages, especially the acreages of wheat and maize. The 1955-56 prices quoted above were for the beginning of the season, and in several cases they were increased during the course of the crop year.

BRAZIL NUT SITUATION IN PARA WORSENS

Continuing flood conditions in the Para district, principal nut producing area of Brazil, have resulted in additional deterioration of Brazil nut stocks. The Tocantin River has overflowed its banks and inundated nut shipping points Maraba, Tukurui, Itupiranga, Conceicao de Araguaia, and other communities, causing heavy damage to Brazil nut stocks and storages as well as widespread loss to personal property.

It is estimated that 660 tons of Brazil nuts have already spoiled and that another 6,600 tons are endangered. State and other government officials are urging that 40 million cruzeiros be released from the emergency fund of the Amazon Valorization Plan for use in preventing economic disaster in the Tocantin area.

Local dealers in Brazil nuts have become discouraged with prices offered for the record 1956 crop. The situation has been further aggravated by a substantial increase in minimum wages for processing.

U. S. EXPORTS OF COTTON LINTERS DECLINE IN MARCH

United States exports of cotton linters, mostly chemical qualities, declined to 31,000 bales (500 pounds gross) in March 1957, down 34 percent from exports of 47,000 bales in February, and also considerably below exports of 43,000 bales in March 1956.

Linters exports of 301,000 bales during August-March 1956-57, however, were down only 6 percent from exports of 321,000 bales in the same months a year ago because of the high levels maintained earlier this season. Principal destinations in the period under review, with comparable figures for last year in parentheses, were: West Germany 101,000 bales (102,000); the Netherlands 47,000 (26,000); United Kingdom 45,000 (70,000); Japan 45,000 (39,000); Canada 25,000 (18,000); and France 22,000 (57,000).

CANADA INCREASES GRAIN STORAGE SPACE

Total licensed grain storage capacity in Canada on March 31, 1957, was 627.4 million bushels, according to records of the Board of Grain Commissioners for Canada. This indicates a gain of 3 percent over the capacity a year earlier, when the total licensed capacity was reported at 609 million bushels.

Licensed storage space is now available for about 612.2 million bushels in elevators, including permanent and temporary annexes. The remaining space, for 15.2 million bushels, is in public country supplementary storage, under temporary license. Though considered suitable for emergency storing of grain, this space cannot qualify for licensing under the provisions of the Canada Grain Act of September 26, 1951. Unlicensed off-farm storage for 0.9 million bushels is also available.

About 85 percent of the total licensed storage is located in the Western Division. The greatest amount of storage is in Saskatchewan, with total space for 211.6 million bushels. Alberta, with space for 140.6 million bushels, is the second largest storage area.

Grain supplies in Canada are at an all-time high. When last reported, as of March 31, 1957, wheat supplies in all positions were 831 million bushels, well above the previous record of 762 million at the end of March 1943, and the 1947-56 average of 454 million. Stocks of coarse grains were also very large, though not an all-time record. With total grain stocks at their peak, stocks of wheat remaining on farms were at a new high. Coarse grain stocks still on farms were large, but below their record.

GRAIN: Licensed storage capacity in Canada as of March 31, 1957

Province and type	Elevators 1/	Public country storage 2/	Total
- - - - - Bushels - - - - -			
Western Division:	:	:	:
Manitoba	:	:	:
Public country	46,847,800:	495,000:	47,342,800
Private country	75,000:	- :	75,000
Mill	2,095,000:	- :	2,095,000
Private terminal	3,145,500:	- :	3,145,000
Semi-public terminal ...	6,000,000:	- :	6,000,000
Total	58,163,300:	495,000:	58,658,300
Saskatchewan	:	:	:
Public country	187,919,700:	7,725,090:	195,644,790
Private country	29,000:	- :	29,000
Mill	4,915,500:	- :	4,915,500
Public terminal	11,000,000:	- :	11,000,000
Total	203,864,200:	7,725,090:	211,589,290
Alberta	:	:	:
Public country	123,021,450:	5,566,850:	128,588,300
Private country	232,500:	- :	232,500
Mill	4,159,000:	- :	4,159,000
Private terminal	1,490,000:	- :	1,490,000
Public terminal	6,100,000:	- :	6,100,000
Total	135,002,950:	5,566,850:	140,569,800
British Columbia	:	:	:
Public country	1,788,000:	- :	1,788,000
Mill	927,300:	- :	927,300
Public terminal	- :	- :	-
Semi-public terminal ...	23,906,500:	- :	23,906,500
Total	26,621,800:	- :	26,621,800
Ontario	:	:	:
Public country	65,000:	1,400,000:	1,465,000
Mill	1,480,000:	- :	1,480,000
Private terminal	2,435,000:	- :	2,435,000
Semi-public terminal ...	90,517,210:	- :	90,517,210
Total	94,497,210:	1,400,000:	95,897,210
Total Western Division	518,149,460:	15,186,940:	533,336,400
Eastern Division:	:	:	:
Ontario	57,161,000:	- :	57,161,000
Quebec	29,712,000:	- :	29,712,000
Maritimes	7,229,300:	- :	7,229,300
Total Eastern Division	94,102,300:	- :	94,102,300
Total, licensed storage	612,251,760:	15,186,940:	627,438,700

1/ Includes permanent and temporary annexes. 2/ Formerly designated as "special annexes".

From reports of the Board of Grain Commissioners for Canada.

U. S. IMPORTS OF COTTON LINTERS AT LOW LEVEL

United States imports of cotton linters, mostly felting qualities, were only 10,000 bales (500 pounds gross) in March 1957, the lowest level this season. Linters imports in February were 13,000 bales and those in March 1956 were 18,000 bales.

Linters imports during August-March 1956-57 were 110,000 bales, down 25 percent from imports of 146,000 bales in August-March 1955-56. Principal sources in the current period, with last year's corresponding figures in parentheses, were: Mexico 76,000 bales (99,000); U.S.S.R. 25,000 (31,000); Brazil 3,000 (5,000); and Belgium 2,000 (2,000).

CHILE NEEDS TO IMPORT RICE

The Government of Chile is considering the importation of rice, provided it can be purchased at a good price on the world market. Imports required are estimated at 20,000 metric tons (440,920 cwt.) in the April-March marketing year, if the usual rate of consumption is maintained.

The rice harvest (March) was small again this year, because of a late spring and severe drought. Because of last year's reduced crop, carryover stocks on April 1 were down to around 8,000 or 9,000 tons.

There has been a marked artificial scarcity of rice on the market in the last 4 months because millers and retailers have been holding supplies in anticipation of a price increase. The government has recently announced its intention to free both wholesale and retail prices of hulled rice, so that rice is again available to the consumer.

The Ministry of Economy and the rice millers have now agreed to a "free" retail price of 130 pesos per kilogram (8.3 cents per pound) for Extra quality and 90 pesos per kilogram (6.4 cents per pound) for First quality rice.

United States exporters will need to quote lowest prices of milled rice, as inquiries have already been made about prices and qualities of rice in Egypt, Italy, Ecuador, and elsewhere. Italian rice, c.i.f. Valparaiso, reportedly has been quoted at \$139 per metric ton (\$6.30 per 100 pounds), and Ecuadoran rice would cost \$162 per metric ton (\$7.35 per 100 pounds) c.i.f. Valparaiso. Though price is not available, the quotation for Egyptian rice is reported to be less than Italian.

AUSTRALIAN AGRICULTURAL PRODUCTION THREATENED BY DROUGHT

Australia experienced a season of abnormal rainfall in 1955-56 which resulted in extensive damage to crops in certain areas, particularly vine fruits. The 1956-57 season, on the other hand, has had near drought conditions. Over most of eastern Australia, where the bulk of Australia's wool, wheat, meat, and dairy products are produced, rainfall has been very limited since early December 1956. Unless there is adequate rainfall within the next few weeks, the 1957-58 production of wheat, winter grains, wool, and dairy products is expected to decline.

Pasture conditions are causing livestock producers increasing concern. Winter feed supplies are expected to be short in parts of Queensland, New South Wales, and Victoria.

The drought is particularly acute in the higher elevated areas of eastern Australia. If heavy general rains are not received by mid-June, the warmer low-altitude regions will also suffer. Most of the winter grains have been planted under extremely dry conditions, and it is anticipated that acreage and production will be below the average of recent years.

Milk production in the last few weeks has declined sharply. High quality butter shipments to the United Kingdom have been banned from New South Wales, Victoria, and Tasmania to help prevent a shortage of domestic supplies.

SOUTH KOREA LOOKS TO INCREASED OIL AND OILSEED IMPORTS IN 1957

South Korea expects to increase imports of soybeans in 1957 by about 10 percent from those of 1956. This is the only oilseed of any significance which is imported. Edible oil imports in 1957 are estimated at 4 times larger than in 1956 due to an increase in soybean oil imports. Cottonseed oil imports in 1957 are expected to remain at about the same level as in 1956.

The soybeans and soybean oil imported in 1956 came from the United States as military aid to the Republic of Korea (ROK) Army, and the cottonseed oil came in as donations from religious organizations for relief purposes. Imports of these 3 commodities are expected to again come from various aid programs in 1957.

(Continued on following page)

Korea's industrial oil imports--consisting chiefly of linseed oil--are expected to increase about 40 percent in 1957 over those of 1956. Linseed oil imports in 1956 were under International Cooperation Administration aid programs, and 1957 imports are expected to come under Public Law 480 or Section 402 agreements.

Coconut oil is imported by private industry. Imports in 1957 are expected to increase slightly from 1956 imports.

OILSEED AND OIL: Korean imports, 1956 and forecast 1957

Item	1956 <u>1/</u> Short tons	Forecast 1957 Short tons
Oilseeds:		
Soybeans.....	2/ 54,515	3/ 60,300
Oils:		
Edible:		
Soybean.....	2/ 1,285	3/ 5,800
Cottonseed.....	<u>4/</u> 110	<u>3/</u> 110
Total.....	1,395	5,910
Palm:		
Coconut.....	492	550
Industrial:		
Linseed.....	<u>5/</u> 456	<u>6/</u> 660
Castor.....	38	35
Total.....	494	695

1/ Preliminary. 2/ Supplied ROK Army under U. S. military aid program for Korea. 3/ To be imported from the U. S. under various aid programs. 4/ Donated to the ROK Ministry of Public Health and Social Affairs by various religious organizations for relief purposes. 5/ Received under ICA aid program. 6/ Expected to come under P. L. 480 or Section 402 programs.

Compiled from official and unofficial sources.

To help meet increasing vegetable oil requirements, the South Korean Government wants to increase 1957 oilseed output by about 5 percent from 1956, when a total of 210,000 short tons of oilseeds--mostly soybean, cottonseed, sesame, perilla, and castor beans was produced. It is hoped that through increased crushings, the 1957 oil output will reach 7,700 tons, a 16 percent increase over the 6,600 tons produced in 1956. No breakdown of the various crops is available as yet.

Stocks of oilseeds at the beginning of 1957 were small, about 4,100 tons, and stocks of all vegetable oils were around 2,500 tons. Stocks of oilseeds and oils were virtually unchanged from the previous year.

AUSTRALIA'S FLAXSEED INDUSTRY EXPANDS;
PEANUT ACREAGE DECREASES

Flaxseed plantings in Australia have expanded rapidly during the last 5 years, and further expansion, almost double the 1956-57 acreage, is anticipated for the crop year 1957-58. A guaranteed price of Australian pounds (£A) 70 per long ton (\$3.92 per bushel) has increased returns per acre thereby giving flaxseed a comparative advantage over wheat. With a rapid expansion in production, Australia is expected to be self-sufficient in flaxseed output within 2 or 3 years.

FLAXSEED: Australian acreage, production, and yield per acre,
annual 1953-1957

Year beginning July 1	Area	Production	Yield per acre
	<u>Acres</u>	<u>1,000 bushels</u>	<u>Bushels</u>
1953.....	6,343	32	5.0
1954.....	19,403	219	11.2
1955.....	47,717	536	11.1
1956 <u>1/</u>	104,000	800	7.7
1957 <u>2/</u>	200,000		
<u>1/</u> Preliminary. <u>2/</u> Forecast.			

Flaxseed stocks increased from around 500 short tons on July 1, 1955 to about 900 tons in 1956. An expected 900 tons will be the carryin on July 1, 1957.

The area planted to peanuts has decreased in each of the last 2 years in Queensland, the major Australian peanut-producing region. Prices paid to growers have been decreasing while costs of production and marketing have been rising. Wet weather during harvesting season has also discouraged peanut production. Extremely wet weather during the 1955-56 harvest resulted in low yields; thus there was an estimated 20 percent decrease in acreage planted in 1956-57 from acreage planted in 1955-56. Peanut output in 1956-57 is expected to be larger than that of the previous year, however, due to increased yields per acre. (Continued on following page)

PEANUTS (UNSHELLED): Queensland area planted, production, and yield per acre annual 1952-1957

Year beginning July 1	Area	Production	Yield per acre
	<u>Acres</u>	<u>Short tons</u>	<u>Pounds</u>
1952.....	18,920	9,450	999
1953.....	36,617	20,010	1,093
1954.....	37,971	15,680	826
1955.....	31,493	9,670	614
1956 <u>1/</u>	25,000	10,000	800

1/ Preliminary estimates.

Compiled from official and unofficial sources.

Since stocks of peanuts have decreased in each of the last 2 years, imports of peanuts and peanut oil are expected to remain at a high level or possibly increase. However, the peanut industry is urging the government to increase the duties on peanuts and peanut oil, which if put into effect, could prevent an increase in imports of these commodities and encourage expanded production in 1957-58. It is expected that the Peanut Marketing Board will request the increased duty at an inquiry of the Tariff Board to be held at a later date not announced. The Australian Government is also experimenting with drying equipment to aid in combating the effects of wet harvest seasons, and with mechanical harvesting equipment to speed up harvesting.

Australia produces no copra, but imports about 33,000 tons each year, mostly from Papua and New Guinea. No stock figures are available, but the carryover each year is believed to be negligible. About 80 percent of the coconut oil produced from this copra is used by the margarine industry, the remainder being used for industrial purposes.

Stocks of whale oil increased to 3,446 tons on July 1, 1956 from 1,100 tons a year earlier. A reduction in exports in the 1955-56 year accounted for most of this increase in carryover. Exports of whale oil are estimated at 18,000 short tons in 1956-57, almost 30 percent greater than the 14,000 tons exported in 1955-56, but about the same as exports in 1954-55.

Whale oil production is fairly constant at around 18,000 tons each year. The whale quota for the 5 Australian whaling stations for the summer of 1957 is expected to be 1,960 humpback whales, 30 less than last year's quota of 1,990.

CANADA'S OILSEED PRODUCTION
AND VEGETABLE OIL CONSUMPTION
INCREASE

The Canadian vegetable oil and oilseed industry continues to expand. Production of flaxseed, rapeseed, and mustard seed in the Prairie Provinces has increased rapidly during the last 3 years, and 1957 acreages will be larger than last year. (See Table 1.) The expansion in oilseeds is associated with declining wheat acreage.

Table 1.--CANADA: Acreage and production of oilseeds, 1953-57

Item	Planted acreage					Production			
	1953	1954	1955	1956	1957 ^{1/}	1953	1954	1955	1956
	- - - - - 1,000 acres - - - - -					- - Million bushels - -			
Soybeans.....	216:	254:	214:	228:	217:	4.4:	5.0:	5.6:	4.9
Flaxseed.....	972:	1,206:	1,838:	3,139:	3,648:	9.9:	11.2:	19.7:	34.9
						- - Million pounds - -			
Rapeseed.....	30:	40:	136:	357:	608:	25.9:	28.9:	77.4:	305.4
Mustard seed.....	43:	69:	79:	137:	175:	19.0:	26.9:	49.7:	133.2
Sunflower seed.....	5:	20:	18:	25:	23:	2.3:	14.0:	14.4:	12.5
Total.....	1,266:	1,589:	2,285:	3,886:	4,671:	:	:	:	:

Source: Dominion Bureau of Statistics

^{1/} As indicated by farmers' planting intentions in early March.

Total exports of flaxseed, rapeseed, soybeans, and mustard seed from the 1956 crops will exceed previous records. Canada has been the world's largest exporter of flaxseed for a number of years, and this season has become one of the leading exporters of rapeseed.

Despite the increased production of oilseeds, Canada continues to be a good market for United States soybeans, oilseed meals, and edible vegetable oils. Per capita consumption of vegetable oils, including use in margarine and shortening, is rising. Demand for oil meal also is increasing, largely owing to the expanding livestock and poultry industries. (Continued)

Both acreage and production of flaxseed in Canada reached a new peak in 1956. Production was 35 million bushels and is being reflected in record high exports which are expected to total 21 million bushels in August 1956-July 1957. The carry-over of flaxseed into the new marketing year beginning August 1, 1957 is forecast at about 7 million bushels. The 1957 flaxseed crop again will be large -- about 35 million bushels if average yields per acre are obtained on the record 3.6 million acres that farmers are expected to plant this spring.

Farmers are expected to plant a slightly smaller acreage of soybeans in 1957 than the 228,000 acres last year. Production since 1954 has ranged between 4.9 million and 5.6 million bushels. Canadian soybean processors, however, have continued to expand their business by bringing in U. S. soybeans, and are now crushing more than 12 million bushels a year. Imports from the United States have risen to more than 8 million bushels a year. Canadian exports of soybeans are also rising and have reached a rate of nearly 2 million bushels a year. (See table 2.) Canada's annual imports of soybean meal from the United States now amount to more than 200,000 short tons (equivalent to around 9 million bushels of soybeans) but exports to the United Kingdom are even larger.

Table 2.--CANADA: Imports and exports of oilseeds and oilseed meals, 1955-57

Item	Unit	Imports				Exports			
				August-January				August-February	
		1955	1956	1955-56	1956-57	1955	1956	1955-56	1956-57
Oilseeds:									
Soybeans.....	1,000 bu.	7,964	9,817	5,405	6,991	982	1,407	806	1,107
Flaxseed.....	1,000 bu.	69	1,001	185	1	9,673	12,253	8,405	12,386
Rapeseed.....	Mil. lb.	---	---	---	---	1/	602	1/	92.5
Mustard seed....	Mil. lb.	---	---	---	---	32.2	87.2	30.3	97.3
Copra.....	Mil. lb.	16.8	25.5	10.5	16.1	---	---	---	---
Total.....	1,000 short tons	249.3	335.3	172.6	217.8	316.4	459.0	278.7	474.9
Oilseed meals:									
Soybean meal....	"	104.5	215.7	88.9	127.7	149.3	247.0	129.3	170.2
Linseed meal....	"	12.1	10.3	6.7	4.7	33.7	34.4	27.5	20.1
Cottonseed meal:	"	1.1	.4	.3	.2	---	---	---	---
Other.....	"	---	---	---	---	3.7	2.2	3.2	1.1
Total.....		117.7	226.4	95.9	132.6	186.7	283.6	160.0	191.4

Compiled from official sources.

1/ Not separately reported before January 1956.

About 600,000 acres of rapeseed probably will be planted in Canada this spring, 70 percent more than last year. The 1954 acreage was only 40,000. This explosive increase has been due to a favorable price for the crop in relation to wheat. The good price, in turn, has reflected a ready export market, chiefly in Western Europe and Japan. Only a small fraction of the crop is crushed in Canada.

Mustard seed acreage has also been rising in recent years, and this year an area of 175,000 acres is expected. Japan and the United States are the principal markets for mustard seed. In the United States mustard seed is processed as a condiment and the oil is a minor by-product.

Table 3.--CANADA: Imports and exports of vegetable oils, 1955-57

Item	Imports				Exports			
			Aug.-January				Aug.-February	
	1955	1956	1955/56	1956/57	1955	1956	1955/56	1956/57
	-- Million pounds - -				-- Million pounds - -			
Cottonseed oil.....	27.9	33.3	15.0	13.9	--	--	--	--
Soybean oil.....	23.7	25.8	11.5	10.3	1/	37.7	1/	26.4
Coconut oil.....	31.9	38.9	20.7	34.7	--	--	--	--
Palm & palm kernel oils	43.5	36.3	17.3	18.2	--	--	--	--
Linseed oil.....	.2	1.2	.2	.2	8.4	14.8	7.1	8.9
Rapeseed oil.....	2/	.1	2/	2/	1/	6.0	1/	8.0
Tung and castor oils...	11.0	8.4	5.6	4.2	--	--	--	--
Other vegetable oils	3/	26.6	19.3	10.0	9.3	39.0	.1	24.5
Total.....	164.8	163.3	80.3	90.8	47.4	58.6	31.6	43.4

Compiled from official sources.

1/ Not reported separately before January 1956.

2/ Less than 50,000 pounds.

3/ Cottonseed and olive oil foots; oiticica, olive, peanut, and sesame oils; vegetable oils for the textile industry; and vegetable oils not separately reported.

Canada imports soybean and cottonseed oils from the United States, mainly for use in margarine and shortening. Soybean oil produced in Canada is also used, as well as domestic animal fats and fish oils, and peanut, coconut, and palm oils imported from Commonwealth countries. In 1956, 111 million pounds of cottonseed and soybean oils were used in margarine and shortening and comprised 43 percent of the total fats and oils used in these products. Imports of cottonseed and soybean oils from the United States in 1956 increased slightly from the year before. (See table 3.)

U. S. COTTON IMPORTS
UP SLIGHTLY IN MARCH

United States imports of cotton (for consumption) in March 1957 were 10,000 bales (500 pounds gross), slightly higher than imports of 7,000 bales in February, and also above the 9,000 bales imported in March 1956. Most of the imports in March 1957 were from Egypt and Pakistan -- about 4,000 bales each. The cotton from Egypt was of extra long staple varieties, that from Pakistan the Asiatic type short staple, harsh or rough.

Cotton imports during August-March 1956-57 were 70,000 bales, well below imports of 119,000 bales in the comparable period a year ago. Imports from Egypt, Peru, and Pakistan were only about half those of a year ago. Imports from Mexico were about the same as last year.

COTTON: U. S. imports by country of origin, bales of 500 pounds gross, averages 1935-39 and 1945-49, annual 1954 and 1955, August-March 1955-56 and 1956-57

Country of origin	Year beginning August 1			August-March		
	Average		1954	1955	1955-56	1956-57
	1935-39	1945-49				
	----- 1,000 bales -----					
Brazil.....	3:	1:	1:	1:	1:	2
China.....	<u>1/</u> 31:	<u>2/</u> :	0:	0:	0:	0
Egypt.....	63:	103:	73:	60:	52:	28
India.....	67:	103:	17:	6:	4:	2
Mexico.....	23:	19:	20:	22:	21:	22
Pakistan.....	<u>3/</u> :	<u>4/</u> 12:	11:	22:	19:	9
Peru.....	<u>1</u> :	23:	22:	23:	20:	7
Sudan.....	<u>5/</u> :	<u>1/</u> 4:	3:	2:	1:	<u>2/</u>
U.S.S.R.....	<u>6/</u> 5:	<u>4/</u> 1:	1:	1:	1:	0
Others.....	0:	0:	2:	2/:	2/:	2/
Total 7/	8/ 185:	8/ 260:	150:	137:	119:	70

1/ 4-year average. 2/ Less than 500 bales. 3/ Included with India prior to partition in 1947. 4/ 3-year average. 5/ Included with Egypt prior to 1942. 6/ 2-year average. 7/ Includes small quantities which are reexported each year. 8/ Total does not add due to partial averages.

Compiled from official records of the Bureau of the Census.

YUGOSLAVIA'S COTTON CONSUMPTION INCREASES

Cotton consumption in Yugoslavia during the last half of 1956 was estimated at 95,000 bales (500 pounds gross), about 16 percent higher than in the comparable period of 1955. A further increase is expected during January-June 1957, as a result of the opening of 2 new cotton mills with a total spindle capacity of 20,000 spindles. Also a lower rate of rayon staple fiber consumption by the cotton industry is expected to continue.

Cotton yarn production in July-December 1956 was at the record level of 21,000 metric tons, an increase of 10 percent over the output of cotton yarn in July-December 1955. Consumption of rayon staple by the cotton spinning industry was 2,000 metric tons in July-December 1956, compared with approximately 2,700 metric tons in July-December 1955. Rayon consumption was about 10 percent of cotton consumption in July-December 1956, compared with 14 percent in the previous year.

Yugoslavia's cotton imports were estimated at 43,000 bales in July-December 1956, down sharply from imports of 80,000 bales in July-December 1955, and much less than imports of 116,000 bales in January-June 1956. Imports from the United States in July-December 1956 were 33,000 bales, in contrast to 18,000 in July-December 1955, and 75,000 in January-June 1956. Other principal sources of Yugoslavia's cotton are Brazil, the U.S.S.R., Greece, Turkey, Egypt, and recently, Burma and the Sudan.

Delay in completion of plans for import programs was largely responsible for the low imports in July-December 1956, but much higher volume in January-June 1957 is forecast by Yugoslav officials. In addition to normal imports from other countries, imports of approximately 95,000 bales of United States cotton were authorized under a Public Law 480 agreement as of November 28, 1956. The quantity booked for export prior to June 29, 1957, under this agreement, amounted to 69,000 bales through May 10, 1957.

Small quantities of cotton are produced in Yugoslavia, principally in Macedonia, where 95 percent of the crop is grown. Production in 1956-57 was estimated at 9,000 bales, compared with 14,000 in 1955-56, and 7,000 in 1954-55. Acreage for 1956-57 was 32,000 acres; it was 35,000 in 1955-56 and 29,000 in 1954-55. The reduction of the 1956-57 crop was due largely to drought conditions from June to October. The Yugoslav Government has encouraged the production of more and better cotton in recent years, but the fact that acreage suitable for cotton growing is limited prevents any major expansion.

Cotton stocks on August 1, 1956, were estimated at 75,000 bales, or more than 4 months' supply, an unusually high level. Stocks were reduced to about 31,000 bales by December 31, 1956, as the result of reduced imports and the higher rate of consumption. The expected increase in imports during January-June 1957 will probably result in a 3-month supply at the end of the 1956-57 season.

UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON 25, D. C.

Official Business

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(PMGC)